

The text of Gov. Easley's letter follows:

August 6, 2003

Ms. Marianne L. Horinko, Acting Administrator
U.S. Environmental Protection Agency
Ariel Rios Building
1200 Pennsylvania Avenue, N.W.
Washington, DC 20460

Dear Acting Administrator Horinko:

The EPA's press statement issued Tuesday, August 5, 2003, and titled "Clear Skies Receives State and Local Government Support" gave the impression that the Southern Governors' Association supports the Clear Skies Initiative. It is my understanding that the SGA has taken no such position.

Following the Governors' Air Summit held in Charlotte in May 2002, I and the governors of Tennessee, Georgia and South Carolina sent the President a letter, which conveyed our support for the development and implementation of a strong national multi-pollutant strategy to reduce the emissions of sulfur dioxide, nitrogen oxide and mercury, particularly from electric utility plants. However, the question remains as to whether the Clear Skies Initiative will accomplish that task.

In a letter to Administrator Whitman earlier this year, I made clear North Carolina's reservations about the Clear Skies Initiative. North Carolina's landmark Clean Smokestacks Act requires the fourteen largest coal-fired power plants in the State to reduce emissions of nitrogen oxides (NOx) by 78 percent by 2009. It also requires significant reductions in sulfur dioxide (SO2) by 2009 and further reductions by 2013, totaling a 74 percent SO2 reduction overall.

While projected pollution reductions through Clear Skies legislation are similar to those required by the Clean Smokestacks Act, Clear Skies would take twice as long to achieve these reductions, which would not be completed until the year 2020. Furthermore, while the cap-and-trade remedy under Clear Skies may achieve reductions on a national scale, it may also provide no relief at all in locations where paper credits are used in lieu of real controls. EPA's website cautions that its model "is subject to a number of uncertainties, particularly when projecting air quality or environmental impacts in particular locations." Yet, the Clear Skies legislation, as currently proposed, would practically eliminate the states' ability through sections 126 and 110(a) of the Clean Air Act to seek pollution reductions from upwind sources in other states. The proposed statute severely restricts and delays the availability of these proven tools to remedy the transport of air pollution from one state or region to another.

North Carolina has demonstrated that States can successfully exercise their right to impose more stringent controls than federal law requires. States must retain the ability to bring about reductions in specific geographic regions and at specific sites in order to protect the public health and